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*Counsel for the Official Committee of Equity Security Holders of
USA Capital First Trust Deed Fund, LLC*

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA**

In re:)	BK-S-06-10725-LBR
USA COMMERCIAL MORTGAGE COMPANY)	Chapter 11
Debtor)	
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In re:)	BK-S-06-10726-LBR
USA CAPITAL REALTY ADVISORS, LLC,)	Chapter 11
Debtor)	
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In re:)	BK-S-06-10727-LBR
USA CAPITAL DIVERSIFIED TRUST DEED FUND, LLC,)	Chapter 11
Debtor)	
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In re:)	BK-S-06-10728-LBR
USA CAPITAL FIRST TRUST DEED FUND, LLC,)	Chapter 11
Debtor.)	
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In re:)	BK-S-06-10729-LBR
USA SECURITIES, LLC,)	Chapter 11
Debtor.)	

Affects)	
<input type="checkbox"/> All Debtors)	
<input type="checkbox"/> USA Commercial Mortgage Co.)	Date: January 31, 2007
<input type="checkbox"/> USA Securities, LLC)	Time: 9:30 a.m.
<input type="checkbox"/> USA Capital Realty Advisors, LLC)	
<input type="checkbox"/> USA Capital Diversified Trust Deed)	
<input checked="" type="checkbox"/> USA Capital First Trust Deed Fund, LLC)	

**DECLARATION OF MATT KVARDA IN SUPPORT OF: (1) SECOND OMNIBUS
OBJECTION OF THE OFFICIAL COMMITTEE OF EQUITY SECURITY HOLDERS OF
USA CAPITAL FIRST TRUST DEED FUND, LLC TO MISFILED CLAIMS; AND (2)
OMNIBUS OBJECTION OF THE OFFICIAL COMMITTEE OF EQUITY SECURITY
HOLDERS OF USA CAPITAL FIRST TRUST DEED FUND, LLC TO CLAIMS
SUPERSEDED BY COMPROMISE CONTAINED IN DEBTORS' THIRD AMENDED JOINT
CHAPTER 11 PLAN OF REORGANIZATION (AS MODIFIED)**

1 I, Matt Kvarda, hereby declare and state as follows:

2
3 1. On April 13, 2006, the following related entities filed for relief under Chapter
4 11 of the Bankruptcy Code: (1) USA Commercial Mortgage Company ("USACM"); (2) USA
5 Capital First Trust Deed Fund, LLC ("FTDF"); (3) USA Capital Diversified Trust Deed Fund,
6 LLC ("DTDF"); (4) USA Securities, LLC; and (5) USA Capital Realty Advisors, LLC
7 (collectively, the "Debtors").

8
9 2. On May 10, 2006, the United States Trustee appointed the following official
10 committees to represent the interests of their respective constituents in these bankruptcy cases:
11 (1) the Official Committee of Holders of Executory Contract Rights Through USA
12 Commercial Mortgage Company (the "Direct Lenders Committee"); (2) the Official
13 Committee of Unsecured Creditors of USA Commercial Mortgage Company (the "UCC"); (3)
14 the Official Committee of Equity Security Holders of USA Capital First Trust Deed Fund,
15 LLC (the "FTDF Committee"); and (4) the Official Committee of Equity Security Holders of
16 USA Capital Diversified Trust Deed Fund, LLC (the "Diversified Committee").

17
18 3. I am a Managing Director of Alvarez & Marsal, LLC, the Court-approved
19 financial advisor to the FTDF Committee since June 1, 2006.

20
21 4. On October 16, 2006, the Court ordered FTDF to provide the FTDF
22 Committee Professionals with the Debtor's records of the composition of the FTDF members
23 and their respective investments in FTDF, which list ("the "FTDF Member List") was
24 provided to the FTDF Committee Professionals shortly thereafter.

25
26 5. I have reviewed the facts stated in the: (1) Second Omnibus Objection of the
27 Official Committee of Equity Security Holders of USA Capital First Trust Deed Fund, LLC to
28

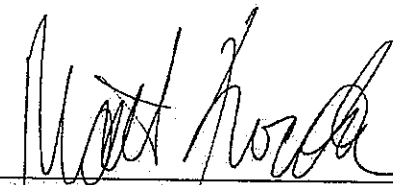
1 Misfiled Claims (the "Misfiled Claims Objection"); and the (2) Omnibus Objection of the
 2 Official Committee of Equity Security Holders of USA Capital First Trust Deed Fund, LLC to
 3 Claims Superseded by Compromise Contained In Debtors' Third Amended Joint Chapter 11
 4 Plan of Reorganization (as Modified) (the "Compromised Claims Objection").
 5

6 6. With respect to the Misfiled Claims Objection, based upon my review of the
 7 FTDF Member List, none of the claimants listed on Exhibit 1 to the Misfiled Claims
 8 Objection are members of FTDF, with the exceptions of: (1) James W. Shaw IRA, from
 9 whose claim the Misfiled Claims Objection has been withdrawn; and (2) the Donnolo Family
 10 Trust DTD 8/24/88 ("Donnolo"), as to whose claim the FTDF Committee requested
 11 disallowance of the \$9,951.70 of the claim which is not attributable to Donnolo's investment
 12 in FTDF.
 13

14 7. With respect to the Compromised Claims Objection, based upon my review of
 15 the FTDF Member List as well as the supporting documentation to the relevant proofs of
 16 claim, the six claims listed on Exhibit 1 to the Compromised Claims Objection are based upon
 17 investments made by the claimants in DTDF, not FTDF.
 18

19 8. I declare, under penalty of perjury, that the foregoing statements are true and
 20 correct to the best of my knowledge and belief.

21 DATED this 18th day of January, 2007.

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MATT KVARDA